



State of Hawaii Employer-Union Health Benefits Trust Fund Newsletter for Retiree Participants
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**Message from the
Administrator**

Aloha!

To say that we are operating in a challenging environment would be an understatement. All of us who work in the public sector realize that the global and national economic turmoil has reached our shores and it affects all of us.

Since last November, the Board of Trustees has been wrestling with renewal rates and benefit levels for the EUTF health plans. As we go to press the Board has been unable to reach agreement on any of the options presented.

As detailed in this newsletter, the Trustees did act to ensure that all retirees will continue to have benefit plans after the current plans expire June 30. The Board is very much aware that retirees need stability and predictability. The Board has acted to ensure continuity of retiree benefit plans. Rates for some of the plans are changing, but this only affects those retirees who pay a portion of the premium.

Also in this edition, see articles on a new rule permitting coverage of surviving domestic partners and information on changes to the EUTF prescription drug plan administered by informedRx (formerly NMHC). These prescription drug plan changes do not apply to those of you on Medicare.

The EUTF realizes the unprecedented nature of the current situation. We are committed to assisting you with your benefit related needs and to keeping you informed as best we can. Please check the EUTF web site at <http://eutf.hawaii.gov> for periodic updates.

Jim Williams

REMINDER-NEXT OPEN ENROLLMENT FOR RETIREES SCHEDULED FOR FALL, 2009

This is a reminder that the EUTF plan year for retirees now is the calendar year, January 1 through December 31 of each year. Retiree Open Enrollment was held in fall 2008 and the next Open Enrollment Period will be scheduled for fall 2009 (specific dates to be announced later). Retiree plan enrollments remain in effect through December 31, 2009.

CURRENT BENEFIT PLANS TO CONTINUE

In order to ensure that all retirees retain coverage under EUTF benefit plans, the Board of Trustees approved a two-month extension of all current benefit plans for the months of July and August 2009. Due to the severity and complexity of the State's fiscal situation, along with the necessity of sizeable rate increases, the EUTF Board of Trustees has not been able to reach agreement on the rates for certain retirees' plans for the remainder of the year. The Board will continue with month-to-month extensions until final decisions are agreed upon.

RATE INCREASES APPLY ONLY TO RETIREES PAYING PART OF PREMIUM

Beginning July 1, 2009, the EUTF Board has approved premium rate increases for EUTF medical, prescription drug and dental plans.

Please Note: Retirees who pay no premium due to receiving 100% employer paid benefits will continue to pay no premium. Rate increases do not affect most retirees. Retirees who currently pay a portion of the premium due to date of hire and/or number of years worked before retirement may have increased premiums effective July 1, 2009. The EUTF will notify each retiree who may be affected by premium rate increases. **There is no need to contact the EUTF unless you receive a notice.**

ACTIVE OPEN ENROLLMENT DELAYED—NO IMPACT ON RETIREES

The open enrollment for **active employees** previously announced for May 18 – June 12, 2009 was cancelled and will be rescheduled at a later date. The EUTF open enrollment period for active employees will be scheduled only after the Board finalizes the necessary decisions. A separate notice has been posted on the EUTF's web site and provides a full explanation for active employees.

**ADDITIONAL INFORMATION WILL BE POSTED ON THE EUTF WEBSITE AT
EUTF.HAWAII.GOV
AS IT BECOMES AVAILABLE.**

FOR ALL RETIREES: Revised Administrative Rules regarding Domestic Partnerships

The final administrative rules now available on our website include a rule change that received final approval last month which extends benefits to surviving domestic partners. For more detailed information, please visit our website at http://eutf.hawaii.gov/Administrative_Rules/Final_Administrative_Rules_Filed_4-9-09.pdf

The following information applies to Non-Medicare eligible participants:

InformedRx (formerly NMHC) Benefit Changes
Effective July 1, 2009 for non-Medicare Eligible Participants

Effective July 1, 2009, the Board of Trustees approved benefit changes to the EUTF prescription drug program for all non-Medicare eligible participants. In an effort to provide quality health benefits while containing costs, informedRx (formerly NMHC) will implement the changes below on behalf of the EUTF. **For more information on your prescription drug plan, please contact the informedRx (formerly NMHC) Customer Care Center at 1-866-533-6977.** The Customer Care Center is available 24 hours a day, 7 days a week. Distribution of more detailed information about these programs by informedRx already has started.

Generic Drug Incentive Program

The Generic Drug Incentive Program will require a participant to use a generic alternative medication, if available, in place of the brand name medication. If the brand named medication is prescribed by your physician or if you choose the brand medication in lieu of the generic, you will be responsible for the generic co-payment plus the difference in price between the generic and brand name medications.

Formulary Grandfathering Removal

In the transition from HMSA to informedRx (NMHC) in 2007, participants that were utilizing a HMSA preferred drug product were “grandfathered” at the preferred tier level co-payment to assist in the ease of the transition. Effective July 1, 2009, the “grandfathered” HMSA preferred drugs will expire. All Non-Preferred medications will require the applicable co-payment beginning 7/1/09 regardless of the co-payment previously calculated.

Utilization Management Guidelines

In an ongoing effort to effectively manage prescription drug benefits, the following clinical guidelines will be included as part of the EUTF prescription benefit plan design.

1. **Quantity Limitations:** Ensures you receive the medication in the quantity considered safe by the U.S. Food & Drug Administration (FDA), medical studies and input, review, and approval from the informedRx National Pharmacy and Therapeutics Committee.
2. **Step Therapy:** Encourages the use of lower-cost alternatives (First-Line Agents) to prescribed medications.
3. **Contingent Therapy Protocol:** Ensures medications are being used as approved by the FDA.

Maintenance Mail Order Program

The Maintenance Mail Order Program will require a participant to obtain their maintenance medications through informedRx's mail order pharmacy, informedMail, after 3 fills at a retail pharmacy. InformedMail offers an easy cost-effective and convenient way to receive your maintenance medications. With informedMail, you will receive up to a 90 day supply of prescription medication for one mail order co-payment.

Reference Based Pricing

Due to many brand named medications having lower costing generics and over-the-counter (OTC) equivalents, the EUTF will be adopting a Referenced Based Pricing program. With this program, the most cost-effective FDA-approved drug will be designated as the “Preferred Drug” within each drug category. Participants who take the “Preferred Drug” will only be responsible for their co-payment. If you choose to take any non-preferred drug in the category, you will be responsible for the copayment plus the difference between the cost of the preferred drug and the non-preferred drug. Reference Based Pricing will apply to three drug classes: *Proton Pump Inhibitors* (PPIs – used to treat stomach ulcers and gastric reflux), *Statins* (used to treat high cholesterol) and *Non-Sedating Antihistamines* (used to treat allergies). Specific examples of how the Reference Based Pricing works will be included in future communications with EUTF Plan participants.

Ascend SpecialtyRx

The EUTF has moved coverage and management of self administered injectable specialty drugs from HMSA and HMA medical plans to the prescription drug plan. To support this move in coverage, the EUTF has selected Ascend SpecialtyRx as their exclusive specialty pharmacy provider. Ascend SpecialtyRx will send your specialty medications directly to your home or office and provide you with clinical expertise consultation, when and as you need it.

Specialty Drug Tier

A Tier 4 “Specialty Drug” tier will be added to the EUTF formulary. Medications that fall within the Specialty tier will be subject to a 20% member co-insurance. All Tier 4 Specialty drugs will have a \$250 co-payment maximum per fill and a \$2,000 out of pocket maximum per year.